

AMENDED IN SENATE APRIL 17, 2012

AMENDED IN SENATE MARCH 29, 2012

**SENATE BILL**

**No. 1054**

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**Introduced by Senator Pavley**

February 9, 2012

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An act to amend ~~Section~~ *Sections 3203 and 3213* of, and to add Sections 3203.1 and 3203.2 to, the Public Resources Code, relating to oil and gas.

LEGISLATIVE COUNSEL'S DIGEST

SB 1054, as amended, Pavley. Oil and gas: well operation: notice.

(1) Existing law requires, before commencing the work of drilling a well, the operator to file a written notice of intention to commence drilling with the State Oil and Gas Supervisor or district deputy. Existing law provides that the notice is deemed approved if the supervisor or the district deputy fails to give a written response to the notice within 10 working days from the date of receipt.

This bill would extend the response time by the supervisor from 10 working days to 15 working days.

The bill would also require the owner or operator to provide notice to, among others certain surface property owners and occupants no less than 20 calendar days prior to the planned drilling operations and would require the notice to include information about the well and the planned operations. The bill would require a well owner or operator to notify, among others, the supervisor or district deputy before commencing hydraulic fracturing operations.

The bill would also require the supervisor, beginning January 1, 2014, and on the 10th calendar day of each year thereafter, to submit to the

Legislature an annual written report regarding the implementation of this notice requirement.

*(2) Existing law requires the owner or operator of any well to keep a careful and accurate history of the drilling of the well.*

*This bill would require the history of the well to include the time period that hydraulic fracturing treatments are performed.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 3203 of the Public Resources Code is  
2 amended to read:

3 3203. (a) The operator of any well, before commencing the  
4 work of drilling the well, shall file with the supervisor or the district  
5 deputy a written notice of intention to commence drilling. Drilling  
6 shall not commence until approval is given by the supervisor or  
7 the district deputy. If the supervisor or the district deputy fails to  
8 give the operator written response to the notice within 15 working  
9 days from the date of receipt, that failure shall be considered as  
10 an approval of the notice and the notice, for the purposes and  
11 intents of this chapter, shall be deemed a written report of the  
12 supervisor. If operations have not commenced within one year of  
13 receipt of the notice, the notice shall be deemed canceled. The  
14 notice shall contain the pertinent data the supervisor requires on  
15 printed forms supplied by the division or on other forms acceptable  
16 to the supervisor. The supervisor may require other pertinent  
17 information to supplement the notice.

18 (b) After the completion of any well, this section also applies  
19 as far as may be, to the deepening or redrilling of the well, any  
20 operation involving the plugging of the well, or any operations  
21 permanently altering in any manner the casing of the well. The  
22 number or designation of any well, and the number or designation  
23 specified for any well in a notice filed as required by this section,  
24 shall not be changed without first obtaining a written consent of  
25 the supervisor.

26 (c) If an operator fails to comply with an order of the supervisor,  
27 the supervisor may deny approval of proposed well operations  
28 until the operator brings its existing well operations into  
29 compliance with the order. If an operator fails to pay a civil penalty,

1 remedy a violation that it is required to remedy to the satisfaction  
2 of the supervisor pursuant to an order issued under Section 3236.5,  
3 or pay any charges assessed under Article 7 (commencing with  
4 Section 3400), the supervisor may deny approval of the operator's  
5 proposed well operations until the operator pays the civil penalty,  
6 remedies the violation to the satisfaction of the supervisor, or pays  
7 the charges assessed under Article 7 (commencing with Section  
8 3400).

9 SEC. 2. Section 3203.1 is added to the Public Resources Code,  
10 to read:

11 3203.1. (a) For the purposes of this section, "surface property  
12 owner" means the owner of a real property as shown on the latest  
13 equalized assessment roll or, if more recent information than the  
14 information contained on the assessment roll is available, the owner  
15 of record according to the county assessor or tax collector.

16 (b) (1) Not less than 20 calendar days prior to the planned start  
17 of drilling operations of a well, the well owner or operator shall  
18 notify all of the following:

19 (A) Every surface property owner or authorized agent of that  
20 owner, and every surface property occupant whose property line  
21 or place of residence is within a radius of 300 horizontal feet from  
22 the centerline of the planned vertical well-head at the surface.

23 (B) Every surface property owner or authorized agent of that  
24 owner, and every surface property occupant whose property line  
25 or place of residence is above any underground waters suitable for  
26 irrigation or domestic purposes that the well is reasonably  
27 anticipated to pierce.

28 (C) Every water supplier who uses any underground waters  
29 suitable for irrigation or domestic purposes that the well is  
30 reasonably anticipated to pierce.

31 (D) Every municipal government in which recipients of the  
32 notice pursuant to subparagraphs (A) and (B) are located.

33 (2) The notice shall be mailed or delivered. Notice to a municipal  
34 government, pursuant to subparagraph (D) of paragraph (1), may  
35 be provided electronically by prior written agreement.

36 (3) The notice shall include all of the following:

37 (A) The location of the well.

38 (B) The well identification number, if available.

39 (C) A description of the planned drilling operations  
40 understandable to a layperson.

1 (D) The time period when drilling operations are planned to  
2 occur.

3 (E) Instructions on how to obtain additional information on the  
4 status of drilling operations from the well owner or operator.

5 (F) The contact information for the district deputy.

6 (G) Information on how to obtain additional information on the  
7 well from the division, including well log data.

8 (4) The well owner or operator shall provide to the supervisor  
9 or district deputy a complete list of all recipients of the notice *and*  
10 *a copy of the information provided in the notice* required pursuant  
11 to this subdivision, in no less than 10 calendar days prior to  
12 commencing drilling operations.

13 (5) The well owner or operator shall notify all recipients of the  
14 notice required, pursuant to this subdivision, if the drilling  
15 operations do not occur during the proposed time period.

16 (c) *A well owner or operator who complies with this section is*  
17 *deemed to be in compliance with the notice requirement pursuant*  
18 *to Section 848 of the Civil Code.*

19 SEC. 3. Section 3203.2 is added to the Public Resources Code,  
20 to read:

21 3203.2. (a) For the purposes of this section, the following  
22 definitions apply:

23 (1) “Surface property owner” means the owner of a real property  
24 as shown on the latest equalized assessment roll or, if more recent  
25 information than the information contained on the assessment roll  
26 is available, the owner of record according to the county assessor  
27 or tax collector.

28 (2) “Hydraulic fracturing” or “fracking” means a well  
29 ~~stimulation treatment that includes the application of hydraulic~~  
30 ~~fracturing fluids under pressure into an underground geologic~~  
31 ~~formation to create or propagate fractures in the formation, thereby~~  
32 *stimulation treatment that typically includes the pressurized*  
33 *injection of water and other materials into an underground*  
34 *geologic formation in order to create or propagate fractures in*  
35 *the formation, thereby or with the intent of causing or improving*  
36 *the production of oil or gas from a well.*

37 (b) (1) Thirty calendar days prior to the commencement of  
38 hydraulic fracturing operations on a well, the well owner or  
39 operator shall notify all of the following:

40 (A) The supervisor or district deputy.

1 (B) Every surface property owner or authorized agent of the  
2 owner, and every surface property occupant whose property line  
3 or place of residence is within a radius of 300 horizontal feet from  
4 the centerline of the vertical well-head at the surface or a distance  
5 of 300 feet in any direction from the horizontal projection of the  
6 subsurface portion of the designated well to the surface.

7 (C) Every surface property owner or authorized agent of the  
8 owner, and every surface property occupant whose property line  
9 or place of residence is above any underground waters suitable for  
10 irrigation or domestic purposes that the well pierces.

11 (D) Every water supplier who uses any underground waters  
12 suitable for irrigation or domestic purposes that the well pierces.

13 (E) Every municipal government in which recipients of the  
14 notice pursuant to subparagraphs (B) and (C) are located.

15 (2) The notice shall be mailed or delivered. Notice to the  
16 division, pursuant to subparagraph (E) of paragraph (1), may be  
17 provided electronically by prior written agreement.

18 (3) The well owner or operator shall provide notice to all of the  
19 following:

20 (A) The location of the well.

21 (B) The well identification number.

22 (C) A description of the planned fracking well stimulation  
23 technique understandable to a layperson.

24 (D) The time period when fracking well stimulation is planned  
25 to occur.

26 (E) Instructions on how to obtain additional information on the  
27 status of drilling operations from the well owner or operator.

28 (F) The contact information for the district deputy.

29 (G) Information on how to obtain additional information on the  
30 well, including well log data.

31 (4) The well owner or operator shall provide to the supervisor  
32 or district deputy a complete list of all recipients of the notice *and*  
33 *a copy of the information provided in the notice* required pursuant  
34 to this subdivision, in no less than 20 *calendar* days prior to starting  
35 a hydraulic fracturing stimulation treatment.

36 (5) The well owner or operator shall notify all recipients of the  
37 notice required pursuant to this subdivision if the hydraulic  
38 fracturing well stimulation treatment does not occur during the  
39 proposed time period.

1 (6) The well owner or operator shall add the actual time period  
2 of the hydraulic fracturing well stimulation treatment to the records  
3 contained in the well-log *drilling history* pursuant to Section ~~3210~~  
4 *3213* and report it accordingly.

5 ~~(e) Wells and well operations subject to Section 3234 are not~~  
6 ~~exempt from the notification requirements under subdivision (b).~~

7 *(c) A well owner or operator who complies with this Section is*  
8 *deemed to be in compliance with the notice requirement pursuant*  
9 *to Section 848 of the Civil Code.*

10 (d) Beginning January 1, 2014, and no later than the 10th  
11 calendar day of each year *thereafter*, the supervisor shall submit  
12 to the Legislature a written report ~~on the operation of, effectiveness~~  
13 ~~of, and the extent of~~ *describing* compliance with this section, in  
14 order to evaluate compliance and the regulatory burden imposed.  
15 The report shall include the total number of notices issued, the  
16 number of wells with notices, and any additional information  
17 necessary to interpret the results. *The report shall be submitted in*  
18 *compliance with Section 9795 of the Government Code.*

19 *SEC. 4. Section 3213 of the Public Resources Code is amended*  
20 *to read:*

21 3213. The history shall show the location and amount of  
22 sidetracked casings, tools, or other material, the depth and quantity  
23 of cement in cement plugs, the shots of dynamite or other  
24 explosives, and the results of production and other tests during  
25 drilling operations. *The history shall include the time period that*  
26 *hydraulic fracturing treatments are performed.*